

MAY 17 1966

**The Washington Merry-Go-Round**

# **Dodd Batted for Insurance Firms**

**By Drew Pearson  
and Jack Anderson**

Not long after Sen. Thomas J. Dodd (D-Conn.) took over the Senate Insurance investigation in 1962, he sent a Mount Vernon, N.Y., real estate promoter around to see three large insurance companies about a \$4 million loan.

The Senator arranged for Manlio M. Liccione to sound out Aetna, Travelers and Connecticut General about financing four apartment buildings in Albany, N.Y.

Liccione described the proposition in a letter, dated Dec. 18, 1962, to Dodd at his North Stonington, Conn., home.

"These properties look very good to me," wrote Liccione, "and could very well stand a mortgage of \$3,750,000 to \$4,000,000."

If he could arrange the loans, Dodd was offered a partnership. He jubilantly told one of his aides about the deal.

"This could make me a rich man," he said.

The Senator made appointments for Liccione through Roy Fosbrink, Connecticut manager for Aetna; Millard Bartels, vice president of Travelers; and Buist Anderson, vice president of Connecticut General.

Obviously it was somewhat awkward to turn down the Senator who had the power to seize their company books

and investigate insurance abuses. So Connecticut General wrote Liccione on January 29, 1963: "From our analysis of the properties, it looks as though we can consider a blanket mortgage loan for an amount in the range of \$2,500,000 to \$2,750,000."

However, this was not enough money for Liccione, and this particular deal for the Albany apartment buildings fell through.

On another deal to construct an office building at White Plains, N.Y., Liccione got a \$650,000 loan through Dodd from Aetna. Later Aetna became the major tenant, moving its local offices into the building.

## **Dodd Collects Fee**

Liccione told this column that he paid Dodd's Hartford, Conn., law firm no more than the standard 1 per cent fee for its intervention. Dodd had made the arrangements through his former law partner, Joe Blumenfeld, who split the fee with him.

Dodd's books also show he borrowed \$5000 from Liccione that was never paid back. Liccione explained that he received partial payment, then deducted the rest as part of the fee.

Again last year, Dodd paved the way for one of Liccione's clients to obtain a \$330,000 loan from Connecticut General for a shopping center at Katonah, N.Y. Liccione ac-

knowledgeed that he had again paid Dodd the standard fee. Dodd's books show he received check No. 5721 from Liccione, dated July 13, 1963, for \$1125.

Both Bartels and Anderson admitted to this column that they had made arrangements for Dodd's friends to discuss loans with their mortgage departments. Both insisted, however, that the loans were judged strictly on their merits. (Fosbrink was on a round-the-world vacation and couldn't be reached.)

Bartels and Anderson also acknowledged that they had contributed to Dodd's testimonial dinners.

The two insurance executives said, too, that they had discussed insurance legislation with Dodd. Anderson confirmed that on June 27, 1963, he had spoken to Dodd and one of his investigators, Maurice Makey, about the insurance investigation.

"I had no ax to grind on the investigation," Anderson said.

## **Tax Benefit**

He also admitted that he had talked to Dodd about a tax amendment that had saved Connecticut General an estimated \$5 million. It was a relief measure, Anderson said, to save the company from paying excessive taxes on the purchase of a fire and casualty affiliate.

It would hardly have been fitting for Dodd, as chairman

of the subcommittee investigating the insurance industry, to introduce special legislation to benefit any insurance company. So he asked Sen.

Russell Long (D-La.) to offer the amendment. Former aides recall that Dodd also persuaded the late Sen. Robert Kerr (D-Okla.) to give the amendment a backstage push.

Indeed, Dodd not only shirked his responsibility to investigate insurance abuses, but he actually went to bat for the insurance companies behind the scenes. For example, he sent his chief insurance investigator, Dean Sharp, to the Agriculture Department to stop the Government from taking over insurance on stored grain from the private companies.

Sharp admitted he had met with insurance executives on the problem but insisted he had gone to the Agriculture Department only for information.

Dodd's law firm has represented Maryland Casualty, Standard Accident Insurance, Phoenix of Hartford Insurance, American Insurance Group, American Fidelity, Reliance Insurance, Fire Association of Philadelphia, Northwestern National Casualty, Central Mutual Insurance, and Norfolk & Dedham Insurance.

Yet he was entrusted with investigating insurance abuses.

© 1966, Bell-McClure Syndicate, Inc.